

SENATE BILL 3212
By Dixon

AN ACT to amend Tennessee Code Annotated, Title 48, Chapter 2, Part 1, relative to the Tennessee Securities Act of 1980.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-2-107(c)(1), is amended by deleting the first sentence in its entirety and by substituting instead the following:

(c)(1) A registration statement relating to a security issued by an open-end investment company or a unit investment trust, as those terms are defined in the federal Investment Company Act of 1940, shall specify an indefinite amount of securities to be offered in this state.

SECTION 2. Tennessee Code Annotated, Section 48-2-107, is amended by adding the following as a new, appropriately designated subsection:

() Any amendment to a registration statement which changes the name of the offering of securities shall pay a processing fee of fifty dollars (\$50.00) payable upon the amendment's filing with the commissioner.

SECTION 3. Tennessee Code Annotated, Section 48-2-123(a), is amended by deleting the word and letter "Class E" in the first sentence and by substituting instead the word and letter "Class D".

SECTION 4. Tennessee Code Annotated, Section 48-2-122(a)(1), is amended by deleting item (A) in its entirety and by substituting instead the following:

(A) Sells a security in violation of §§ 48-2-104 -- 48-2-109, 48-2-110(f), or of any condition imposed under §48-2-107(g), or any rule, or order under this part of which he has notice;

SECTION 5. Tennessee Code Annotated, Section 48-2-122, is amended by adding the following as a new, appropriately designated subsection:

() The legal rate of interest shall be that as provided by T.C.A., Section 47-14-121.

SECTION 6. Tennessee Code Annotated, Section 48-2-108, is amended by adding the following as a new, appropriately designated subsection:

() In any case in which the commissioner is authorized to issue a stop order denying, suspending, or revoking the effective registration of the securities of an issuer, the commissioner may impose a fine of five thousand dollars (\$5,000) upon the issuer of such securities for all violations arising from any single transaction.

SECTION 7. Tennessee Code Annotated, Section 48-2-115(f), is amended by adding the following as a new, appropriately designated subdivision:

() The commissioner is further authorized to participate, in whole or in part, in a Securities Registration Depository system, in cooperation with the North American Securities Administrators Association, other states, and the United States, to the extent he deems participation as being in the public interest and necessary for the protection of investors.

SECTION 8. Tennessee Code Annotated, Section 48-2-108(a)(2), is amended by deleting item (A) in its entirety and by substituting instead the following:

(A) The registration statement, or any amendment under § 48-2-107 (as of its effective date or as of the date of an order denying effectiveness), or any report under § 48-2-107(i) includes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

SECTION 9. Tennessee Code Annotated, Section 48-2-121(a), is amended by inserting the word and punctuation "offer," in the first sentence between the words "the" and "sale."

SECTION 10. Tennessee Code Annotated, Section 48-2-102, is amended by deleting item (2) in its entirety and by substituting instead the following:

(2) "Agent" means any individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities from, in, or into this state. A partner, officer, director, or manager of a broker-dealer, or a person occupying similar status or performing similar functions, is an agent only if he otherwise comes within this definition or receives compensation specifically related to purchases or sales of securities from, in, or into this state. "Agent" does not include such other persons not within the intent of this subsection (2) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors.

SECTION 11. This act shall become effective July 1, 1996, the public welfare requiring it.